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COMMISSION ON TRANSNATIONAL CORPORATIONS
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GENERAL DISCUSSION ON TRANSNATIONAL CORPORATIONS IN THE WORLD ECONOMY AND TRENDS IN FOREIGN DIRECT INVESTMENT IN DEVELOPING COUNTRIES

INTERNATIONAL ARRANGEMENTS AND AGREEMENTS RELATING TO TRANSNATIONAL CORPORATIONS

ACTIVITIES OF THE UNITED NATIONS CENTRE ON TRANSNATIONAL CORPORATIONS AND ITS JOINT UNITS

Draft resolution submitted by the Vice-Chairman of the Commission, Mr. Albert Mudenda Muchanga (Zambia), as a result of informal consultations held on draft resolution E/C.10/1992/L.6

Activities of the United Nations Centre on Transnational Corporations and of its successor, the Transnational Corporations and Management Division

The Economic and Social Council,

1. Takes note of the reports of the Secretary-General on trends in foreign direct investment; transnational corporations and economic growth through technology; transnational corporations in the new world economy: issues and policy implications; the international framework for transnational corporations; and the activities of the United Nations Centre on Transnational Corporations and its joint units;

2. Reaffirms that the Commission on Transnational Corporations and the Transnational Corporations and Management Division of the Department of Economic and Social Development of the United Nations Secretariat are focal

points within the United Nations system for matters concerning foreign direct investment as it relates to transnational corporations and that the mandate of the former United Nations Centre on Transnational Corporations is subsumed under this Division;

3. Emphasizes the importance of the research, technical cooperation, advisory services, training programmes and information services provided by the United Nations Centre on Transnational Corporations to the States Members of the United Nations, and, to this end, affirms the importance of maintaining these activities and programmes as well as improving upon them as appropriate under the new administrative arrangements;

4. Notes the need for the Commission to examine, during its next session, the activities and programme of work of the Division in the field of foreign direct investment as it relates to transnational corporations in order to ensure coordination with, and avoid duplication of, the activities of other United Nations bodies;

5. Stresses the importance of transparency in the area of foreign direct investment, and requests the Division to contribute towards increasing this transparency in the framework of its technical assistance and information activities;

6. Takes note of the report of the Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting, and reaffirms the importance of its work in contributing towards greater transparency in the activities of transnational corporations;

7. Requests the Division to assist developing countries in the creation of a favourable investment climate and, to that end, in the development of their endogenous capacity conducive to the encouragement of foreign investment;

8. Also requests the Division to continue to include in its technical cooperation activities advice on the interrelationship between foreign direct investment and interregional, regional and subregional economic integration;

9. Further requests the Division to examine ways and means of assisting Member States, in particular developing countries, in attracting foreign investment, inter alia, through the setting-up of joint ventures and free economic zones;

10. Calls upon the Division to strengthen its work concerning cooperation in the transfer of technology;

11. Requests the Division to strengthen its activities in matters relating to the role of transnational corporations in the development of small and medium-sized enterprises;

12. Also requests the Division to study the effects of deregulation and privatization policies in developing countries on attracting foreign direct investment flows and, in this context, to make appropriate recommendations thereon;

13. Takes note of the consultations being undertaken by the President of the General Assembly in accordance with General Assembly resolution 45/186 entitled "Code of conduct on transnational corporations";

14. Encourages the Division to strengthen and further develop the functions of the joint units established with the regional commissions, especially by developing programmes that are adapted to the needs of the respective regions;

15. Invites donor countries, particularly developed countries, to provide extra financial support for the research, advisory and information work of the Division so as to further contribute to a better understanding between transnational corporations and developing countries;

16. Requests the Division to pay attention in particular to developing countries, especially least developed countries and other countries in \frica that have faced a drop in foreign direct investment inflows, and to report thereon to the Commission on Transnational Corporations at its nineteenth session;

17. Takes note of the conclusions of the Hague Symposium on Globalization and Developing Countries, and requests the Secretary-General, in collaboration with the United Nations Conference on Trade and Development and other organizations, to develop a joint programme on the interrelationship of investment, trade, technology and development, with a view to enhancing the contribution of transnational corporations to the development of developing countries through trade and investment, for consideration by the Commission on Transnational Corporations at its nineteenth session.